

TENNESSEE REGULATORY AUTHORITY

Pat Miller, Chairman
Deborah Taylor Tate, Director
Sara Kyle, Director
Ron Jones, Director



460 James Robertson Parkway
Nashville, Tennessee 37243-0505

January 14, 2005

Mr Paul T Diskin
Manager of Rates and Regulations
American Water Works, Inc
800 W Hershey Park Drive
Hershey, PA 17033

RE: Docket No. 04-00288 – Petition of Tennessee American Water Company to Change and Increase Certain Rates and Charges so as to Permit it to Earn a Fair and Adequate Rate of Return on its Property Used and Useful in Furnishing Water Service to its Customers.

Dear Mr. Diskin:

To further the Staff's investigation of the reasonableness of the rates filed with this Authority on September 10, 2004 by Tennessee American Water Company ("TAWC"), you will need to furnish additional information as requested on the attached Staff Data Request. Please pay particular attention to the directions provided in the first section labeled "Administrative." If you have questions regarding any item number in the attached request, please contact Aster Adams (extension 150) for clarification before responding

Thank you for your attention to this matter. Please provide all responses by January 21, 2005.

Sincerely,

Aster Adams, Chief
Competitive Markets & Policy Division

c: R. Dale Grimes
Michael A. McMahan
Henry M. Walker
Timothy C Phillips

TRA – CMPD STAFF DATA REQUEST (JANUARY 14, 2005)

ADMINISTRATIVE

⇒The Tennessee Regulatory Authority (“TRA”) requires an original and thirteen (13) copies of the filing.

⇒All schedules requested as a computer file and/or a CD are to be provided in Microsoft Excel 97 or Microsoft Word readable format and Word Perfect readable format for files sent to the Consumer Advocate and Protection Division (“CAPD”).

⇒Whenever “latest” information is requested, this information should not be over 90 days old at the time of filing (unless the latest information is more than 90 days old) and should be updated after filing, if material changes occur.

⇒Please respond fully to each item, even if the data has been partially supplied in prior filings or dockets. Information supplied in one item can be referenced if asked for again in another item.

⇒Responses to the requests listed here are to be supplied to the TRA at the following address:

Docket Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

⇒Each copy of the responses should be placed in loose-leaf binders with each item tabbed. Each response should begin by restating the item request. If several sheets are required to answer an item, each sheet should be appropriately labeled and indexed, for example, Item 1(a), Sheet 1 of 4

⇒For each item responded to, indicate the witness whose testimony would encompass the information requested, where applicable.

⇒For data requested that is also supplied in summary form on the PSC 3.03 reports for the test period only, please reconcile your response to these reports if a variance exists.

⇒Unless otherwise specifically requested, information shall be required for the Tennessee operations only.

⇒Information for which a claim of confidentiality or privilege is claimed should be filed in a sealed envelope marked “Confidential and Privileged.” Any such information will be reviewed by the TRA Staff or the CAPD only after an appropriate non-disclosure agreement has been agreed to. In the absence of the agreement of the party claiming

confidentiality or privilege, no such confidential or privileged information may be placed on the TRA's web site or otherwise made public until after the filing party has been given 10 days notice of an Order of the TRA requiring such public disclosure, during which period of time, any interested party may seek a Protective Order from any court having jurisdiction to issue the same.

⇒ In responding to these requests, the applicant should provide the most current, accurate, and comprehensive information available at the time of the response. In making its responses, the applicant should employ those persons who are most knowledgeable regarding the requested information. All information should be presented in a manner designed to promote clear understanding and assessment.

DATA REQUESTS

1. Provide TAWC's capital structure for the period ending December 2004 and all supporting workpapers.
2. Provide RWE, AWWC and TAWC's balance sheet and statement of income as of December 31, 2004 and any projected or forecasted balance statements.
3. Provide the following schedules, excluding flotation costs in the formulas: Schedule A, Schedule B, and Schedule C.
4. Provide calculations for DCF and the results based on comparable companies' specific data. If such information does not exist, explain why.
5. Provide any supporting materials used to calculate Schedule F included with Dr. Vander Weide's direct testimony. Explain what is the time horizon used for the calculation of the average capital structures. Supply any supporting documentation.
6. Provide any documentation you may have showing the rates of return allowed by state public service commissions since 2000 for water utilities in the United States.